

Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, D.C. 20554

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FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF THE SECRETARY

In the Matter of

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Billed Party Preference

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CC Docket No. 92-77

For 0+ InterLATA Calls

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**AMERITECH'S REPLY COMMENTS ON
FURTHER NOTICE OF PROPOSED RULEMAKING**

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Dated: September 14, 1994

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REPLY COMMENTS OF AMERITECH

Ameritech respectfully files these Reply Comments in the above-captioned matter. While continuing to support the Commission's tentative conclusion that Billed Party Preference ("BPP") should be implemented across the Public Switched Telephone Network ("PSTN"), Ameritech will address a number of several issues regarding BPP deployment details that bear further discussion as raised by some commenting parties.

I. BPP Implementation Will Require 36 Months

In general, the Comments of other parties with substantial experience in implementation of large and complex database applications support Ameritech's estimate that 36 months will be required, following a Commission Order mandating the deployment, for full PSTN-wide deployment of BPP.¹ However, if the Commission adopts suggestions that it order enhancements such as 14-digit screening and multi-PIC configurations, additional time may be required for full deployment.

¹ See, e.g., Comments of GTE, at 25 ("a minimum of three, but no more than four years"); Comments of Bell Atlantic, at 23-4 ("minimum of three years"); Comments of Sprint, at 57-8 (2 1/2 years from the issuance of an Order mandating implementation).

II. Allegations That BPP Will Create A "Bottleneck" Are Unsupported

A few opponents of BPP flatly state that deployment of BPP will, in essence, create a "bottleneck" facility; i.e., that Competitive Access Providers ("CAPs") would necessarily be subject to discrimination by Local Exchange Carriers who physically operate the LIDB facilities to which BPP queries would be sent.² These unsupported statements and the proposed drastic remedies should be summarily rejected.

CAPs operate their own switching equipment today, and will be free to either construct their own LIDB databases, to launch their own inquiries to other carriers' LIDBs (just as LECs do among each other today), or to contract with current LIDB operators to store their customers' numbers.³ Under BPP, this purely economic choice will be made by each carrier based on its own business conditions, as is the case today for 800 database transactions; i.e., a CAP may choose to equip its network to perform the database lookup and carrier-routing functions.

The arguments of those who fear discrimination are similarly unfounded. There can be no opportunity for discrimination, because the LIDB query function is a tariffed offering; thus, all query originators (LECs, CAPs, IXC, etc.) pay the same price for LIDB access. In any case, this much is clear from the record: the Commission has a long history of monitoring and protecting against discrimination among carriers, as it was originally charged

² Comments of Teleport, at 9 (complaining that it would be forced to pay "substantial amounts" and "considerable sums" for LIDB queries); Comments of MFS, at 9 (suggesting that, to remedy this inequity, the Commission must force the transfer of all LIDB administration responsibilities to a "neutral third party administrator").

³ Ameritech has already been approached by several CAPs interested in such a contractual arrangement.

to do by the Communications Act of 1934.⁴ This is, as it were, the Commission's business; no reason has been or can be advanced why this will not continue to be the case.

III. Artificial "Rate Caps" Are Not a Reasonable Alternative To BPP

A few parties urged the Commission to impose a newly-conceived regulatory mechanism (i.e., a "rate cap" arrangement) as an answer to certain of the problems which BPP will solve in a comprehensive fashion.⁵ No such false steps should be considered.

The piecemeal schemes suggested would not only involve the Commission intimately in the ongoing control of rates, but would also substitute artificial price-setting mechanisms for the workings of a competitive OSP marketplace. Increased regulation has not been a frequently-used tool in the Commission's modern-day efforts to encourage free and full competition across the breadth of the telecommunications marketplace. No good rationale for sudden and drastic departure from this path has been advanced here.

IV. A Prison Exemption From BPP Is Warranted

Some minor controversy is apparent on the question of whether calls from prison facilities should be exempted from BPP handling. One party continues to argue against such an exemption, citing the unfair burden that

⁴ 47 U.S.C. §§ 202, 205, 208.

⁵ Comments of Pacific Bell and Nevada Bell, at 8-9 (arguing for the Commission to determine and impose a rate cap on all OSPs); Comments of Bell Atlantic, at 3 (urging the Commission itself to establish and maintain a maximum percentage above the highest rate charged by "the dominant IXC"); Comments of Teltrust, Inc., at 14-15 (asking the Commission to establish a rate cap figure which somehow considers the varying cost structures and product lines of those OSPs "like Teltrust [which] are financially and structurally unlike the largest IXCs").

would be imposed upon inmates and their families and friends.⁶ On the other hand, the vast majority of commenting parties concur in Ameritech's position that a prison service exemption will enable continue use of present fraud control mechanisms.⁷

While Ameritech remains cognizant of the consumer interests and the social concerns involved in BPP, the fact remains that fraud on calls from correctional facilities remains a real and significant problem. As discussed in Ameritech's Comments,⁸ the most effective means for prison fraud control would be rendered practically useless under BPP. The evidence speaks for itself, and the exemption should be granted.

V. Errata

Ameritech's original Comments contained two inadvertent misstatements, which should be corrected as follows:

(1) at page 8 of Ameritech's Comments, the discussion of consumer survey results in paragraph (2) under (B.) should have read as follows: "For example, as previously discussed, 55% of calling card customers today use access codes. In addition, 52% of customers indicated that they would dial an access code more frequently to receive a 5% discount; 64% said they would do so to receive a 20% discount."

⁶ Comments of Citizens United For Rehabilitation of Errant ("C.U.R.E"), at 10-13.

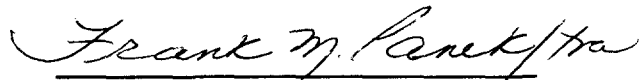
⁷ See, e.g., Comments of Ameritech, at 7; Comments of Berrien County Sheriff Dept., at 1; Comments of Federal Bureau of Prisons, at 1-3; Comments of Kane County Adult Corrections Center, at 1; Comments of Kenosha County Board of Supervisors, at 1; Comments of Lake County Sheriff's Adult Correctional Facility, at 1-2.

⁸ Comments of Ameritech, at 11-14.

(2) at page 17 of Ameritech's Comments, the discussion of secondary carrier selection in the paragraph above (J.) should have read as follows:

"The Commission should also order that calls carried by a secondary carrier must be 'branded' with the name of the primary carrier. This requirement will eliminate potential confusion of customers, who would otherwise believe that the call is not being properly routed."

Respectfully submitted,

A handwritten signature in cursive script, reading "Frank M. Panek".

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Dated September 14, 1994

CERTIFICATE OF SERVICE

I, Kimberly M. Gurrieri, do hereby certify that a copy of the foregoing pleading has been served on all parties by first class mail, postage prepaid, on this 14th day of September 1994.



Kimberly M. Gurrieri